

(e) Budget and Cost-Effectiveness.

**§ 3430.909 Other considerations.**

(a) *Amount of grants.* An applicant for a regular project proposal (single institution/organization) under this subpart may request up to \$125,000 (total project, not per year). An applicant for a joint project proposal (applicant plus one or more partners) under this subpart may request up to \$300,000 (total project, not per year). A conference/planning grant applicant may request up to \$10,000 (total project/not per year).

(b) *Duration of grants.* The term of a grant for a standard RTP project under this subpart shall not exceed 5 years. No-cost extensions of time beyond the maximum award terms will not be considered or granted.

**PART 3431—VETERINARY MEDICINE LOAN REPAYMENT PROGRAM**

**Subpart A—Designation of Veterinarian Shortage Situations**

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**AUTHORITY:** 7 U.S.C. 3151a; Public Law 106-107 (31 U.S.C. 6101 note).

**SOURCE:** 74 FR 32793, July 9, 2009, unless otherwise noted.

**Subpart A—Designation of Veterinarian Shortage Situations**

**§ 3431.1 Applicability of regulations.**

This part establishes the process and procedures for designating veterinarian shortage situations as well as the administrative provisions for the Veterinary Medicine Loan Repayment Program (VMLRP) authorized by the National Veterinary Medical Service Act (NVMSA), 7 U.S.C. 3151a.

**§ 3431.2 Purpose.**

The Secretary will follow the processes and procedures established in Subpart A to designate veterinarian shortage situations for the VMLRP. Applications for the VMLRP will be accepted from eligible veterinarians who agree to serve in one of the designated shortage situations in exchange for the repayment of an amount of the principal and interest of the veterinarian's qualifying educational loans. The administrative provisions for the VMLRP, including the application process, are established in Subpart B.

**§ 3431.3 Definitions and acronyms.**

(a) *General definitions.*

*Act* means the National Veterinary Medical Service Act, as amended.

*Agency* or CSREES means the Cooperative State Research, Education, and Extension Service.

*Department* means the United States Department of Agriculture.

*Food animal* means the following species: bovine, porcine, ovine/camelid, cervid, poultry, and any other species as determined by the Secretary.

*Food supply veterinary medicine* means all aspects of veterinary medicine's involvement in food supply systems, from traditional agricultural production to consumption.

*Insular area* means the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the

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Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, the Republic of Palau, and the Virgin Islands of the United States.

*NVMSA* means the National Veterinary Medicine Service Act.

*Practice of food supply veterinary medicine* includes corporate/private practices devoted to food animal medicine, mixed animal medicine located in a rural area (at least 30 percent of practice devoted to food animal medicine), food safety, epidemiology, public health, and other practices that contribute to the production of a safe and wholesome food supply.

*Practice of veterinary medicine* means:

(1) To diagnose, treat, correct, change, alleviate, or prevent animal disease, illness, pain, deformity, defect, injury, or other physical, dental, or mental conditions by any method or mode; including:

(i) The prescription, dispensing, administration, or application of any drug, medicine, biologic, apparatus, anesthetic, or other therapeutic or diagnostic substance or medical or surgical technique, or

(ii) The use of complementary, alternative, and integrative therapies, or

(iii) The use of any manual or mechanical procedure for reproductive management, or

(iv) The rendering of advice or recommendation by any means including telephonic and other electronic communications with regard to any of paragraphs (1)(i),(ii),(iii), or (iv) of this definition.

*Rural area* means any area other than a city or town that has a population of 50,000 inhabitants and the urbanized area contiguous and adjacent to such a city or town.

*Secretary* means the Secretary of Agriculture and any other officer or employee of the Department to whom the authority involved has been delegated.

*Service area* means geographic area in which the veterinarian will be providing veterinary medical services.

*State* means any one of the fifty states, the District of Columbia, and the insular areas of the United States, including the Commonwealth of Puerto Rico; Guam; American Samoa; the Commonwealth of the Northern Mar-

iana Islands; the Federated States of Micronesia; the Republic of the Marshall Islands; the Republic of Palau; and the Virgin Islands of the United States.

*State animal health official* means the State veterinarian, or equivalent, who will be responsible for nominating and certifying veterinarian shortage situations within the State.

*Veterinarian* means a person who has received a professional veterinary medicine degree from an accredited college of veterinary medicine.

*Veterinary medicine* means all branches and specialties included within the practice of veterinary medicine.

*Veterinary Medicine Loan Repayment Program or VMLRP* means the Veterinary Medicine Loan Repayment Program authorized by the National Veterinary Medical Service Act.

*Veterinarian shortage situation* means any of the following situations in which the Secretary, in accordance with the process in Subpart A, determines has a shortage of veterinarians:

(1) Geographical areas that the Secretary determines have a shortage of food supply veterinarians; and

(2) Areas of veterinary practice that the Secretary determines have a shortage of food supply veterinarians, such as food animal medicine, public health, epidemiology, and food safety.

(b) *Definitions applicable to Subpart B.*

*Applicant* means an individual who applies to and meets the eligibility criteria for the VMLRP.

*Breach of agreement* results when a participant fails to complete the service agreement obligation required under the terms and conditions of the agreement and will be subject to assessment of monetary damages and penalties as determined in the service agreement, unless a waiver has been granted or an exception applies.

*Current payment status* means that a qualified educational loan is not past due in its payment schedule as determined by the lending institution.

*Debt threshold* means the minimum amount of qualified student debt an individual must have, on their program eligibility date, in order to be eligible for program benefits, as determined by the Secretary.

*Program eligibility date* means the date on which an individual's VMLRP agreement is executed by the Secretary.

*Program participant* means an individual whose application to the VMLRP has been approved and whose service agreement has been accepted and signed by the Secretary.

*Qualifying educational expenses* means the costs of attendance of the applicant at an accredited college of veterinary medicine, exclusive of the tuition and reasonable living expenses. Educational expenses may include fees, books, laboratory expenses and materials, as required by an accredited college or school of veterinary medicine as part of a Doctor of Veterinary Medicine degree program, or the equivalent. The program participant must submit sufficient documentation, as required by the Secretary, to substantiate the school requirement for the educational expenses incurred by the program participant.

*Qualifying educational loans* means loans that are issued by any U.S. government (i.e., Federal, state, or local) entity, accredited U.S. academic institution(s), and/or commercial lender(s) that are subject to examination and supervision in their capacity as lending institutions by an agency of the United States or the state in which the lender has its principal place of business. Loans must have been made for one or more of the following: School tuition, other qualifying educational expenses, or reasonable living expenses relating to the obtainment of a degree of Doctor of Veterinary Medicine from an accredited college or school of veterinary medicine. Such loans must have documentation which is contemporaneous with the training received in a college or school of veterinary medicine. If qualifying educational loans are refinanced, the original documentation of the loan(s) will be required to be submitted to the Secretary to establish the contemporaneous nature of such loans.

*Reasonable living expenses* means the ordinary living costs incurred by the program participant while attending the college of veterinary medicine, exclusive of tuition and educational expenses. Reasonable living expenses

must be incurred during the period of attendance and may include food and lodging expenses, insurance, commuting and transportation costs. Reasonable living expenses must be equal to or less than the sum of the school's estimated standard student budgets for living expenses for the degree veterinary medicine for the year(s) during which the program participant was enrolled in the school. However, if the school attended by the program participant did not have a standard student budget or if a program participant requests repayment for living expenses which are in excess of the standard student budgets described in the preceding sentence, the program participant must submit documentation, as required by the Secretary, to substantiate the reasonableness of living expenses incurred. To the extent that the Secretary determines, upon review of the program participant's documentation, that all or a portion of the living expenses are reasonable, these expenses will qualify for repayment.

*Service agreement* means the agreement, which is signed by an applicant and the Secretary for the VMLRP wherein the applicant agrees to accept repayment of qualifying educational loans and to serve in accordance with the provisions of NVMSA for a prescribed period of obligated service.

*Termination* means a waiver of the service obligation granted by the Secretary when compliance by the participant is impossible, would involve extreme hardship, or where enforcement with respect to the individual would be unconscionable (see breach of agreement).

*Withdrawal* means a request by a participant for withdrawal from participation in the VMLRP after signing the service agreement, but prior to VMLRP making the first annual payment on behalf of the participant. A withdrawal is without penalty to the participant and without obligation to the Program.

#### **§ 3431.4 Solicitation of stakeholder input.**

The Secretary will solicit stakeholder input on the process and procedures used to designate veterinarian

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shortage situations prior to the publication of the solicitation for nomination of veterinarian shortage situations. A notice may be published in the FEDERAL REGISTER, on the Agency's Web site, or other appropriate format or forum. This request for stakeholder input may include the solicitation of input on the administration of VMLRP and its impact on meeting critical veterinarian shortage situations. All comments will be made available and accessible to the public.

#### **§ 3431.5 Solicitation of veterinarian shortage situations.**

(a) *General.* The Secretary will follow the procedures described in this part to solicit veterinarian shortage situations as the term is defined in § 3431.3.

(b) *Solicitation.* The Secretary will publish a solicitation for nomination of veterinarian shortage situations in the FEDERAL REGISTER, on the Agency's Web site, or other appropriate format or forum.

(c) *Frequency.* Contingent on the availability of funds, the Secretary will normally publish a solicitation on a biennial basis. However, the Secretary reserves the right to solicit veterinarian shortage situations every year or every three years, as appropriate.

(d) *Content.* The solicitation will describe the nomination process, the review criteria and process, and include the form used to submit a nomination. The solicitation may specify the maximum number of nominations that may be submitted by each State animal health official.

(e) *Nominations.* Nominations shall identify the veterinarian shortage situation and address the criteria in the nomination form which may include the objectives of the position, the activities of the position, and the risk posed if the position is not secured.

(f) *Nominating Official.* The State animal health official in each state may nominate and certify veterinarian shortage situations within the State. It is anticipated that the State animal health official of each State will involve the leading health animal experts in the State in the nomination process.

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#### **§ 3431.6 Review of nominations.**

(a) *Peer panel.* State nominations will be evaluated by a peer panel of experts in animal health convened by the Secretary. The panel will evaluate nominations according to the criteria identified in the solicitation. The panel will consider the objectives and activities of the veterinarian position in the veterinary service shortage situation and the risks associated with not securing or retaining the position and make a recommendation regarding each nomination.

(b) *Agency review.* The Secretary will evaluate the recommendations of the peer panel and designate shortage situations for the VMLRP.

#### **§ 3431.7 Notification and use of designated veterinarian shortage situations.**

The Secretary will publish the designated veterinarian shortage situations on the Agency's Web site and will use the designated veterinarian shortage situations to solicit VMLRP loan repayment applications from individual veterinarians in accordance with Subpart B.

### **Subpart B—Administration of the Veterinary Medicine Loan Repayment Program**

#### **§ 3431.8 Purpose and scope.**

(a) *Purpose.* The regulations of this subpart apply to the award of veterinary medicine loan repayments under the Veterinary Medicine Loan Repayment Program (VMLRP) authorized by the National Veterinary Medicine Service Act, 7 U.S.C. 3151a.

(b) *Scope.* Under the VMLRP, the Secretary enters into service agreements with licensed veterinarians to pay principal and interest on education loans of veterinarians who agree to work in veterinary shortage situations for a prescribed period of time. In addition, program participants may enter into an agreement to provide services to the Federal government in emergency situations in exchange for salary, travel, per diem expenses, and additional amounts of loan repayment assistance. The purpose of the program is to ensure an adequate supply of trained food

animal veterinarians in shortage situations and provide USDA with a pool of veterinary specialists to assist in the control and eradication of animal disease outbreaks.

#### § 3431.9 Eligibility to apply.

(a) *General.* To be eligible to apply to the VMLRP an applicant must:

(1) Have a degree of Doctor of Veterinary Medicine (DVM), or the equivalent, from an accredited college of veterinary medicine;

(2) Have qualifying educational loan debt as defined in § 3431.3 of this title;

(3) Secure an offer of employment or establish and/or maintain a practice in a veterinary shortage situation, as determined by the Secretary in accordance with the procedures in Subpart A, within the time period specified in the VMLRP service agreement offer; and

(4) Provide certifications and verifications in accordance with § 3431.16 of this Part.

(b) *Non-eligibility.* The following individuals are ineligible to apply to the VMLRP:

(1) An individual who owes an obligation for veterinary service to the Federal government, a State, or other entity under an agreement with such Federal, State, or other entity is ineligible for the VMLRP unless such obligation will be completely satisfied prior to the beginning of service under the VMLRP;

(2) An individual who has a Federal judgment lien against his/her property arising from Federal debt; and

(3) An individual who has consolidated qualifying loans with loans not qualifying for repayment under the VMLRP.

#### § 3431.10 Eligibility to participate.

To be eligible to participate in the VMLRP, a participant must meet the following criteria:

(a) Meet the eligibility criteria of § 3431.9 for applying to the VMLRP;

(b) Be selected for participation by the Secretary pursuant to § 3431.12.

(c) Be a licensed veterinarian in the jurisdiction in which he or she proposes to practice;

(d) Be a citizen, national, or permanent resident of the United States;

(e) Sign a service agreement to provide veterinary services in one of the veterinarian shortage situations; and

(f) Comply with the terms and conditions of the Service Agreement.

#### § 3431.11 Application.

Individuals who meet the eligibility criteria of § 3431.9 may submit an on-line program application or any other application process provided by the Secretary.

#### § 3431.12 Selection of applicants.

(a) *Review of applications.* Upon receipt, applications for the VMLRP will be reviewed for eligibility and completeness by the appropriate staff as determined by the Secretary. Incomplete or ineligible applications will not be processed or reviewed.

(b) *Peer review.* Applications for the VMLRP that are deemed eligible and complete will be referred to the VMLRP peer panel for peer review. In evaluating the application, reviewers are directed to consider the following components, as well as any other criteria identified in the RFA, and how they relate to the likelihood that the applicant will meet the terms and conditions of the VMLRP agreement, continue to serve in a veterinary shortage situation, or pursue a career in food animal veterinary medicine:

(1) Major or emphasis areas(s) during formal post-secondary training (e.g., bachelors degree major, minor);

(2) Major or emphasis area(s) during formal training for DVM/VMD degree;

(3) Specialty training area/discipline (e.g., board certification or graduate degree);

(4) Non-degree/non-board certification training or certifications (e.g., animal agrosecurity coursework and certifications);

(5) Applicant's personal statement;

(6) Awards;

(7) Letters or recommendation, if applicable; and

(8) Other documentation or criteria, as specified in the RFA.

#### § 3431.13 Terms of loan repayment and length of service requirements.

(a) *Loan repayment.* For each year of obligated service in a veterinary shortage situation, as determined by the

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Secretary, with a minimum of 3 years (and maximum of 4 years) of obligated service, the Secretary may pay:

(1) An amount not exceeding \$25,000 per year of a program participant's qualifying loans; and

(2) An additional amount not exceeding \$5,000 per year of a program participant's qualifying loans, if the program participant has already been selected for participation in the VMLRP and agrees to enter into a one-year agreement for each year of service to provide up to 60 days of obligated service to the Federal government in animal health emergency situations, as determined by the Secretary, provided the shortage situation in which the participant has agreed to serve has been designated as suitable for the Federal obligated service.

(b) To maximize the number of agreements and to encourage qualified veterinarians to participate in the VMLRP, the Secretary may establish a loan repayment cap that differs from the cap established under paragraph (a)(1) and (a)(2) of this section when it is in the best interest of VMLRP. This will be identified in the RFA.

(c) The Secretary will determine the debt threshold in the RFA.

(d) Loan repayments will be made directly to the loan provider on a quarterly basis, starting with the end of the first quarter after the program eligibility date of the service agreement.

(e) Once a service agreement has been signed by both parties, the Secretary will obligate such funds as will be necessary to ensure that sufficient funds will be available to make loan repayments and tax payments, as specified in the service agreement, for the duration of the period of obligated service. Reimbursements for tax liabilities in excess of the amount provided (not to exceed 39 percent of the amount of loan repayment) will be subject to the availability of funds. These additional tax payments, if available to the VMLRP participants, will be identified in the RFA and in the participant service agreement.

(f) Participants are required to keep payments current on all qualifying VMLRP loans.

(g) *Travel expenditures.* The VMLRP will not reimburse a program partici-

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pant for expenses associated with traveling from the program participant's residence to the prospective practice site for the purpose of evaluating such site or the expenses of relocating from the program participant's temporary or permanent residence to a practice site.

#### § 3431.14 Priority.

Pursuant to NVMSA, the Secretary will give priority to agreements with veterinarians for the practice of food animal medicine in veterinarian shortage situations, as determined by the Secretary. The Secretary may establish additional criteria in the RFA for assigning priority levels to veterinarian shortage situations nominated for award.

#### § 3431.15 Qualifying loans.

(a) *General.* Loan repayments provided under the VMLRP may consist of payments on behalf of participating individuals of the principal and interest on qualifying educational loans received by the individual for attendance of the individual at an accredited college of veterinary medicine resulting in a degree of Doctor of Veterinary Medicine, or the equivalent, which loans were made for one or more of the following:

(1) Tuition expenses;

(2) All other reasonable educational expenses, as defined in this part and as determined by the Secretary; and

(3) Reasonable living expenses, as defined in this part and as determined by the Secretary.

(b) *Non-eligible loans.* The following loans are ineligible for repayment under the VMLRP:

(1) Loans not obtained from a bank, credit union, savings and loan association, not-for-profit organization, insurance company, school, and other financial or credit institution which is subject to examination and supervision in its capacity as lending institution by an agency of the United States or of the State in which the lender has its principal place of business;

(2) Loans for which supporting documentation is not available;

(3) Loans that have been consolidated with loans of other individuals, such as spouses or children;

(4) Loans that have been consolidated with loans obtained to attend an educational institution other than an accredited veterinary medical school;

(5) Loans or portions of loans obtained for educational or living expenses which exceed the standard of reasonableness as determined by the participant's standard school budget for the year in which the loan was made, and are not determined by the Secretary to be reasonable based on additional documentation provided by the individual;

(6) Loans, financial debts, or service obligations incurred under another loan repayment or scholarship program, or similar programs, which provide loans, scholarships, loan repayments, or other awards in exchange for a future service obligation;

(7) Non-educational loans, including home equity loans; and

(8) Any loan in default, delinquent, or not in a current payment status.

#### **§ 3431.16 Certifications and verifications.**

(a) The application for the loan repayment program shall include a personal statement describing how the applicant would meet the requirements of:

(i) The veterinary service shortage situations as defined in the RFA;

(ii) The eligibility criteria for application of section § 3431.9 of this part; and

(iii) The selection priority of section § 3431.14 of this part.

(b) The applicant shall provide sufficient documentation to establish that the applicant has qualifying loans as described in section § 3431.15 of this part.

(c) The applicant shall provide sufficient documentation to establish that the applicant has the capacity to secure an offer of employment or establish and/or maintain a veterinary practice in a veterinary service shortage situation as defined in Subpart A.

(d) The applicant shall provide, if applicable, sufficient documentation to establish that the applicant is licensed to practice veterinary medicine in the jurisdiction in which the applicant has an offer of employment.

(e) The applicant shall provide, if applicable, the required documentation to establish whether the applicant receives payments under any other Federal, State, institutional, or private loan repayment programs.

(f) The applicant shall provide the required documentation to show that he/she has completed, or is in the process of completing, the National Veterinary Accreditation Program (NVAP).

(g) The applicant shall provide authorization to the appropriate staff as designated by the Secretary to obtain a copy of the participant's credit report.

#### **§ 3431.17 VMLRP service agreement offer.**

The Secretary will make an offer to successful applicants to enter into an agreement with the Secretary to provide veterinary services under the VMLRP. As part of the offer, successful VMLRP applicants will be provided a specific period of time, as defined in the RFA, to secure an offer of employment or establish and/or maintain a veterinary practice in a veterinary shortage situation.

#### **§ 3431.18 Service agreement.**

(a) The service agreement shall be signed by the program participant and the Secretary after acceptance of the terms and conditions of the loan repayment program by the program participant.

(b) The service agreement shall specify the period of obligated service.

(c) The service agreement shall specify the amount of loan repayment to be paid for each year of obligated service.

(d) The service agreement shall contain a provision defining when a breach of the agreement by the program participant has occurred.

(e) The service agreement shall provide remedies for the breach of a service agreement by a program participant, including repayment or partial repayment of financial assistance received, with interest.

(f) The service agreement shall include provisions addressing the granting of a waiver by the Secretary in case of hardship.

(g) Payments under the service agreement do not exempt a program participant from the responsibility

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and/or liability for any loan(s) for which he or she is obligated, as the Secretary is not obligated to the lender/note holder for its commitment to the program participant.

(h) During the term of the service agreement, the program participant shall agree that the Secretary or the designated VMLRP service provider is authorized to verify the status of each loan for which the Secretary will be reimbursing the participant.

(i) The service agreement shall contain certifications, as determined by the Secretary.

(j) The service agreement shall contain provisions addressing the income tax liability of the program participant and the availability of reimbursement of taxes incurred as a result of an individual's participation in the VMLRP.

(k) *Renewal.* The service agreement will indicate whether the existing service agreement may be renewed. However, renewal applications are subject to peer review and approval, acceptance is not guaranteed, and the position must still be considered a veterinarian shortage situation at the time of application for renewal. The Secretary may request additional documentation in connection with the review and approval of a renewal application. The Secretary reserves the right not to offer renewals. Any requests for renewal applications will be solicited via the RFA.

(l) The service agreement shall contain participant reporting requirements (e.g., quarterly, annual, and/or close-out) to allow for program monitoring and evaluation.

### § 3431.19 Payment and tax liability.

(a) *Loan repayment.* Loan repayments pursuant to a service agreement are made directly to a participant's lender(s) by the Secretary or the VMLRP service provider. If there is more than one outstanding qualified educational loan, the Secretary will repay the loans in the following order, unless the Secretary determines significant savings to the program would result from paying loans in a different order of priority:

(1) Loans guaranteed by the U.S. Department of Education;

(2) Loans made or guaranteed by a State;

(3) Loans made by a School; and

(4) Loans made by other entities, including commercial loans.

(b) *Tax Liability Payments.* The Secretary may make payments of an amount not to exceed 39 percent of the actual annual loan repayments made in a calendar year for all or part of the increased Federal, State, and local tax liability resulting from loan repayments received under the VMLRP. Supplementary payments for increased tax liability may be made for the actual amount of tax liability associated with the receipt of loan repayments under the VMLRP. Availability of these additional tax liability payments (*i.e.*, in excess of 39 percent) will be identified in the RFA and in the participant service agreement. Program participants wishing to receive tax liability payments will be required to submit their requests for such payments in a manner prescribed by the Secretary and must provide the Secretary with any documentation the Secretary determines is necessary to establish a program participant's increased tax liability. Tax liability payments in excess of 39 percent will be made on a reimbursement basis only.

(c) Under § 3431.19(a) and (b), the Secretary will make loan and tax liability payments to the extent appropriated funds are available for these purposes.

### § 3431.20 Administration.

The VMLRP will be administered by CSREES, Office of Extramural Programs (OEP). OEP may carry out this program directly or enter into agreements with another Federal agency or other service provider to assist in the administration of the VMLRP. However, the determination of the veterinarian shortage areas, peer review of individual VMLRP applications, and the overall VMLRP oversight and coordination will reside with the Secretary.

### § 3431.21 Breach.

(a) *General.* If a program participant fails to complete the period of obligated service incurred under the service agreement, including failing to comply with the applicable terms and



conditions of a waiver granted by the Secretary, the program participant must pay to the United States an amount as determined in the service agreement. Payment of this amount shall be made within 90 days of the date that the program participant failed to complete the period of obligated service, as determined by the Secretary.

(b) *Exceptions.* (1) A termination of service for reasons that are beyond the control of the program participant will not be considered a breach.

(2) A transfer of service from one shortage situation to another, if approved by the Secretary, will not be considered a breach.

(3) A call or order to active duty will not be considered a breach.

(c) The Secretary may renegotiate the terms of a participant's service agreement in the event of a transfer, termination or call to active duty pursuant to subsection (b).

(d) *Amount of repayment.* The service agreement shall provide the method for the calculation of the amount owed by a program participant who has breached a service agreement.

(e) *Debt collection.* Individuals in breach of a service agreement entered into under this part are considered to owe a debt to the United States for the amount of repayment. Any such debt will be collected pursuant to the Department's Debt Management regulations at 7 CFR part 3.

#### § 3431.22 Waiver.

(a) A program participant may seek a waiver or suspension of the service or payment obligations incurred under this part by written request to the Secretary setting forth the bases, circumstances, and causes which support the requested action.

(b) The Secretary may waive any service or payment obligation incurred by a program participant whenever compliance by the program participant is impossible or would involve extreme hardship to the program participant and if enforcement of the service or payment obligation would be against equity and good conscience.

(1) Compliance by a program participant with a service or repayment obligation will be considered impossible if

the Secretary determines, on the basis of information and documentation as may be required:

(i) That the program participant suffers from a physical or mental disability resulting in the permanent inability of the program participant to perform the service or other activities which would be necessary to comply with the obligation; or

(ii) That the employment of the program participant has been terminated involuntarily for reasons unrelated to job performance.

(2) In determining whether compliance by a program participant with the terms of a service or repayment obligation imposes an extreme hardship, the Secretary may, on the basis of information and documentation as may be required, take into consideration the nature of the participant's personal problems and the extent to which these affect the participant's ability to perform the obligation.

(c) All requests for waivers must be submitted to the Secretary in writing.

(d) A program participant who is granted a waiver in accordance with this section will be notified by the Secretary in writing.

(e) Any obligation of a program participant for service or payment will be canceled upon the death of the program participant.

#### § 3431.23 Service to Federal Government in emergency situations.

(a) The Secretary may enter into agreements of 1 year duration with veterinarians who have service agreements for such veterinarians to provide services to the Federal Government in emergency situations, as determined by the Secretary, under terms and conditions specified in the agreement.

(b) Pursuant to a service agreement under this section, the Secretary shall pay an amount, in addition to the amount paid, as determined by the Secretary and specified in the agreement, of the principal and interest of qualifying educational loans of the veterinarians. This amount will be provided in the RFA.

(c) Agreements entered into under this paragraph shall include the following:

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(1) A veterinarian shall not be required to serve more than 60 working days per year of the agreement.

(2) A veterinarian who provides service pursuant to the agreement shall receive a salary commensurate with the duties and shall be reimbursed for travel and per diem expenses as appropriate for the duration of the service.

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**§ 3431.24 Reporting requirements, monitoring, and close-out.**

VMLRP participants will be required to submit periodic reports per the terms and conditions of their service agreements. In addition, the Secretary is responsible for ensuring that a VMLRP participant is complying with the terms and conditions of their service agreement, including any additional reporting or close-out requirements.